GOVERNMEN TOF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department–Extension of certain incentives under Industrial Development Policy 2015-2020 to M/s. Veera Vahana Udyog Private Limited (VVUPL) to set up a Bus Manufacturing unit including manufacture of chassis at Gudipalli, Ananthapur **District -** Orders-Issued.

INDUSTRIES &COMMERCE(POLICY&INVESTMENT) DEPARTMENT

G.O.MS.No. 44 Dated: 13-03-2017

Read the following:-

1. Email from Mr. K. Srinivas Reddy, Managing Director, dated 29.11.2016.
2. Letter from Mr. K. Srinivas Reddy, Managing Director, dated 9.12.2016.
3. Email from Mr. K. Srinivas Reddy, Managing Director, dated 10.12.2016.
4. Empowered Committee Meeting on 25.01.2017
5. State Investment Promotion Board Meeting on 25.01.2017.

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ORDER:-

In the letter first read above, M/s. Veera Vahana Udyog Private Limited (VVUPL) informed that they propose to set up a Bus Manufacturing unit including manufacture of chassis at Gudipalli, Ananthapur District with an **overall investment of Rs.600 Crore with a potential to create direct employment to 7000 people.** In the 1st phase, the plant will be designed for a production capacity of 8000 Buses per annum which will employ at least 5000 people directly. Phase II of the project will look into mass production of small buses with 12 to 18 passenger capacity, direct employment will be for about 2000 persons, Indirect employment will be for another 2000 persons and the investment will be about Rs. 300 Crores.

2. M/s. Veera Vahana Udyog Private Limited proposes to establish a plant on about 120 Acres of land. Phase I of the proposed project will be for setting up a Bus Manufacturing unit including manufacture of chassis. The plant & machinery for the 1st Phase has been designed for a production capacity of 8000 Buses per annum which will employ at least 5000 people directly. Phase II of the project will look into mass production of small buses with 12 to 18 passenger capacity, direct employment will be for about 2000 persons, Indirect employment will be for another 2000 persons and the investment will be about Rs. 300 Crores. Overall investment in the project is Rs 600 cr. with direct employment of 7000 persons. The Company has requested for the following benefits:

(i) 100% reimbursement of Stamp Duty, Transfer duty, Mortgage fees and Hypothecation.
(ii) Provision of 24x7 uninterrupted quality power supply
(iii) Entry tax is exempt
(iv) The company has requested for land at the rate of Rs.5-6 lakhs per acre for the 120 acres of land identified at Gudipalli in Anantapur district.
(v) Reimbursement of fixed power cost @Rs. 1.25 per unit for 10 years from the date of commencement of commercial production.
(vi) Reimbursement of 100% of gross VAT/CST/SGST for a period of 12 years from the date of commencement of commercial production.
(vii) Request for interest subsidy of 2% on the term loan from the bank for this project.
(viii) 10% subsidy on the cost of plant and machinery.

3. In the reference fourth read above, the Empowered Committee of Secretaries (EC) has examined the proposal of M/s Veera Vahana Udyog Private Limited, in detail and decided to extend the following incentives.

(i) To place the issue of allocation of 120 acres of land in Gudipalli Ananthapur (Dt) @ Rs.5 to Rs.6.00 Lakhs per acre before SIPB for taking a decision

(ii) Reimbursement of 100 % VAT/CST/SGST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(iii) Reimbursement of power cost @Rs.1.00 per unit for a period of 7 years from the date of commencement of commercial production, as the project is located in backward district.

(iv) All other incentives as per IDP 2015-20 Policy.

4. In the reference fifth read above, the State Investment Promotion Board(SIPB) has examined the proposal of M/s Veera Vahana Udyog Private Limited in detail and decided to extend the following incentives:

(i) To allot 120 acres of land in Gudipalli, Annathapur (Dt) @ Rs.6.00 Lakhs per acre, as being an employment intensive

(ii) Reimbursement of 100 % VAT/CST/SGST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(iii) Reimbursement of power cost @Rs.1.00 per unit for a period of 7 years from the date of commencement of commercial production, as the project is located in backward district.

(iv) All other incentives as per IDP 2015-20 Policy.

5. Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s Veera Vahana Udyog Private Limited:

(i) To allot 120 acres of land in Gudipalli, Ananthapur (Dt) @ Rs.6.00 Lakhs per acre, as being an employment intensive

(ii) Reimbursement of 100 % VAT/CST/SGST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(iii) Reimbursement of power cost @Re.1.00 per unit for a period of 7 years from the date of commencement of commercial production, as the project is located in backward district.

(iv) All other incentives as per IDP 2015-20 Policy

6. The Director of Industries, Andhra Pradesh, Vijayawada, shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director of Industries, Andhra Pradesh, Vijayawada.
M/s Veera Vahana Udyog Private Limited through the Director of Industries, Andhra Pradesh.
The PR& RD (PR) Department.
The MA& UD Department.
The H.M.& F.W. Department.
The Collector& District Magistrate, ChittoorDistrict.
The VC&MD,APIIC Ltd.
The GeneralManager, District Industries Centre,ChittoorDistrict.
The ZonalManager,APIIC, Chittoor.
Copy to
Finance (EBS-VIII)Department.
The Revenue (CT) Department.

The Revenue (Registration) Department.
The Law(H) Department.
The Accountant General, Andhra Pradesh
The Commissioner of Commercial Taxes, Vijayawada
The Vice Chairman & Managing Director, APIIC.
P.S. to Secretaryto Chief Minister
P.S. to ChiefSecretaryto Government
P.S. toSecretarytoGovernment& CIP,Industries & Commerce Dept.SC/SF.

//FORWARDED BY ORDER//

SECTION OFFICER